

California second least affordable state for renters, study says

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By Andrew Khouri

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California renters must earn more than triple the minimum wage to afford a two-bedroom apartment, underscoring a housing shortage throughout the state, a new report said.

A worker earning the minimum wage — \$8 per hour in California — would have to toil away for 130 hours a week to afford a two-bedroom, the National Low Income Housing Coalition said Monday.

Across the nation, minimum wage workers can't afford a one- or two-bedroom apartment at fair market rent, the group said. The coalition's president, Sheila Crowley, said raising the federal minimum wage would ease the burden.

Any likely increase, she said, would still be insufficient. Construction of more affordable housing is also needed to close the gap.

That call was echoed by California State Sen. Mark DeSaulnier (D-Concord), who has introduced a bill to create a permanent state fund for affordable housing.

“California is short one million affordable homes for working families,” he said in a statement.

Many low income workers need family members to pitch in to absorb high rents. A California family needs 3.3 full-time minimum wage earners to afford a two-bedroom, the coalition said in its annual Out of Reach report.

The group defines affordable as spending 30% or less of gross income on rent and utilities. Nationally, to afford a two-bedroom a worker must earn \$18.92 an hour, much higher than the \$7.25 federal minimum wage.

The only state more expensive than California is Hawaii, where workers must earn \$31.54 an hour. The District of Columbia is also more expensive than the Golden State.

An estimated 61% of California renters cannot afford a two-bedroom. A minimum wage increase could alleviate some of the pressure, but not all. In July, California's minimum wage will rise to \$9 an hour and climb to \$10 an hour in 2016.

California renters, however, must earn \$26.04 an hour, or about \$54,000 annually, to afford a two-bedroom, the report said. A year earlier, workers could have taken home \$25.78 an hour, while working a 40-hour week.

No market is more expensive than San Francisco and the Bay Area. A worker there needs to earn \$37.62 an hour to comfortably afford a two-bedroom apartment.